



DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

[Docket #: RBS-23-BUSINESS-0008]

Notice of Funding Opportunity for the Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Years 2023 and 2024

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Business-Cooperative Service (RBCS or the Agency), a Rural Development agency of the United States Department of Agriculture (USDA), announces the availability of approximately \$450 million, under section 22003 of the Inflation Reduction Act of 2022, in competitive grants to eligible entities for activities designed to expand the sales and use of renewable fuels under the Higher Blends Infrastructure Incentive Program (HBIIP). Cost-share grants of up to 75 percent of total eligible project costs, but not more than \$5 million, will be made available to assist transportation fueling facilities and fuel distribution facilities with converting to higher blend friendly status for ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel) by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of fuel dispenser or pumps and related equipment, storage tank system components, and other required infrastructure. All applicants are responsible for expenses incurred in developing their applications.

DATES: The application windows for enrollment in the HBIIP will take place quarterly for five quarters, starting July 1, 2023, through September 30, 2024, with the option for a sixth application window if funding has not been exhausted. The application window will close at 4:30 pm Eastern time on the last day of each quarter.

ADDRESSES:

Application Submission: Instructions and additional resources, including an Application Guide, are available at Higher Blends Infrastructure Incentive Program | Rural Development (<https://www.rd.usda.gov/HBIIP>), under the “How to Apply” tab.

Electronic submissions: All applicants must file their application electronically through the HBIIP Application portal. Guidance and resources for the application portal can be found at the website referenced above.

This funding opportunity will also be posted to <https://www.grants.gov>.

FOR FURTHER INFORMATION CONTACT: Jeff Carpenter at HBIIP@usda.gov, HBIIP Manager, RBCS, Rural Development, United States Department of Agriculture, 1400 Independence Avenue, SW., Mail Stop 3201, Room 5801-South, Washington, DC 20250; or call (402) 437-5554. Persons with disabilities that require alternative means for communication should contact the U.S. Department of Agriculture (USDA) Target Center at (202) 720–2600 (voice); or the 711 Relay Service.

SUPPLEMENTARY INFORMATION:

Overview

Federal Awarding Agency Name: Rural Business-Cooperative Service (RBCS).

Funding Opportunity Title: Higher Blends Infrastructure Incentive Program (HBIIP).

Announcement Type: Notice of funding opportunity.

Funding Opportunity Number: RBCS-2023-2024-01-HBIIP.

Assistance Listing Number: 10.754.

Dates: The application windows for enrollment in the HBIIP will take place quarterly for five quarters, starting July 1, 2023, through September 30, 2024, with the option for a sixth application window if funding has not been exhausted. The application window will close at 4:30 pm Eastern time on the last day of each quarter.

Rural Development Key Priorities: The Agency encourages applicants to consider projects that will advance the following key priorities (more details available at <https://www.rd.usda.gov/priority-points>):

- Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure;
- Ensuring all rural residents have equitable access to Rural Development (RD) programs and benefits from RD funded projects; and
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

A. Program Description

1. Purpose of the Program.

The purpose of the HBIIP is to significantly increase the sales and use of higher blends of ethanol and biodiesel. HBIIP is intended to encourage a more comprehensive approach to marketing higher blends by sharing the costs related to building and/or retrofitting biofuel-related infrastructure.

Under Section 22003 of the Inflation Reduction Act of 2022, RBCS is making available approximately \$450 million in the form of cost-share grants to eligible entities to assist with infrastructure improvements to increase the sale and use of agricultural commodity-based fuels.

2. Statutory and Regulatory Authority.

This notice is issued pursuant to section 22003 of the Inflation Reduction Act of 2022 (Public Law 117-169).

(a.) Environmental information. For the RBCS to consider an application complete, the application must include all environmental review documents with supporting documentation in accordance with 7 CFR part 1970 and as referenced in Section D.2 of this notice. Any required environmental review must be completed prior

to obligation of funds. Applicants are advised to contact RBCS to determine environmental requirements as soon as practicable to ensure adequate review time.

Applicants should also submit to RBCS the compatibility verification of equipment to be funded. EPA regulations found in 40 CFR 280.32 require demonstrating compatibility of systems storing fuel containing greater than 10 percent ethanol or greater than 20 percent biodiesel, so RBCS collecting this information in advance is not an additional burden for applicants. A compatibility verification will ensure that grant funds are used for purposes that expand the environmentally safe availability of fuel containing higher blends of ethanol and biodiesel. More information can be found in this June 2019 compliance advisory from the EPA Office of Underground Storage Tanks:

<https://www.epa.gov/sites/production/files/2019-06/documents/compliance-advisory-ust-regs-06-2019.pdf> and https://www.epa.gov/sites/default/files/2014-05/documents/bulk_storage_container_integrity-testing-factsheet.pdf.

(b) *Transparency Act Reporting.* All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation in accordance with 2 CFR part 170. If an applicant does not have an exception under 2 CFR 170.110(b), the applicant must then ensure that it has the necessary processes and systems in place to comply with the reporting requirements to receive funding.

(c) *Other Federal Statutes.* The applicant must certify to compliance with other Federal statutes and regulations by completing the Financial Assistance General Certifications and Representations in SAM, including, but not limited to the following:

(1) 7 CFR part 15, subpart A—Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964. Civil Rights compliance includes, but is not limited to the following:

(i) Collect and maintain data provided by recipients on race, sex, and national origin. Race and ethnicity data will be collected in accordance with Office of

Management and Budget (OMB) *Federal Register* notice, “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity” (published October 30, 1997 at 62 FR 58782). Sex data will be collected in accordance with Title IX of the Education Amendments of 1972. These items should not be submitted with the application but should be maintained and made available upon request by RBCS.

(ii) The applicant must comply with title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, the Americans with Disabilities Act (ADA), section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order 12250, and 7 CFR part 1901, subpart E.

(2) 2 CFR part 417 Governmentwide Debarment and Suspension (Non-procurement), or any successor regulations.

(3) 2 CFR parts 200 and 400 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), or any successor regulations.

(4) Subpart B of 2 CFR part 421, which adopts the Governmentwide implementation (2 CFR part 182) of the Drug-Free Workplace Act.

(5) Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency.” For information on limited English proficiency and agency-specific guidance go to <https://www.lep.gov/>.

(6) Federal Obligation Certification on Delinquent Debt.

3. *Application of Awards.*

Under the HBIIP, funds will be awarded to assist transportation fueling facilities and fuel distribution facilities in converting their current facilities through upgrade or installation of new equipment required to ensure all equipment is fully compatible with higher blends of ethanol (i.e., greater than 10 percent ethanol) and biodiesel (greater than 5 percent biodiesel). The program will share the costs related to the upgrading of fuel dispensers (gas and diesel pumps) and attached equipment, fuel storage tank system

components (which includes but is not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants), and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

Storing and dispensing E15, E85, or other high blends of ethanol for transportation fueling facilities, such as automotive, freight, rail, and marine, with equipment that is not compatible with higher blends of ethanol fuel can result in leaks and releases that contaminate land and groundwater. Older and even some newer existing underground storage tank (UST) systems (which include but are not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants) are not fully compatible with E15 or higher and require modification before storing these fuels. Biodiesel blends above B20 have similar requirements; some infrastructure changes may even be necessary when storing blends greater than B5. This program will expand the number of facilities fully compatible with higher blends of ethanol and biodiesel.

Grants for up to 75 percent of total eligible project costs, but not more than \$5 million, are made available to: (1) owners, including affiliated entities, of 10 or fewer transportation fueling facilities, including local fueling stations/locations; convenience stores; and hypermarket fueling stations; and (2) owners of home heating oil distribution facilities who have at least 80 percent of their average annual throughput volume coming from home heating oil, including affiliated entities. An affiliate is an entity controlling or having the power to control another entity, or a third party or parties that control or have the power to control both entities. Grants for up to 50 percent of total eligible project costs, but not more than \$5 million, are made available to owners of: (1) more than 10 transportation fueling facilities, including, but not limited to, local fueling stations/locations; convenience stores; and hypermarket fueling stations; (2) fleet facilities including rail and marine; and (3) fuel distribution facilities, including fuel

terminal operations; midstream operations; and/or distribution facilities including home heating oil distribution facilities with more than 80 percent of their average annual throughput volume coming from home heating oil.

B. Federal Award Information

Type of Awards: Grants

Fiscal Year Funds: FY 2023-FY2024

Available Funds: Approximately \$450 million is made available to eligible participants, \$90 million each calendar quarter commencing July 1, 2023. Of the total amount of funds available each quarter, approximately \$67.5 million will be made available to transportation fueling facilities (including fueling stations; convenience stores; hypermarket fueling stations; fleet facilities, including transportation, freight, rail and marine; and similar entities with capital investments) for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, such as E15 or higher, and/or activities related to higher blends of biodiesel greater than five percent, such as B20 or higher; and approximately \$18 million will be made available to fuel distribution facilities (including terminal operations, depots, and midstream operations), for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, such as E15 or higher and biodiesel greater than five percent biodiesel, such as B20 or higher. Additionally, up to \$4.5 million will be made available to home heating oil distribution facilities for eligible implementation activities related to higher blends of biodiesel greater than five percent, such as B20 or higher. Unused funds may be reallocated.

Award Amounts: Awards to successful applicants will be in the form of cost-share grants not to exceed \$5 million. There is no minimum amount for these grants.

Anticipated Award Date: The Agency anticipates making awards within 90 - 180 days after the application deadline.

Performance Period: The grant period is not to exceed 36-months, unless otherwise specified in the Grant Agreement or agreed to by the Agency.

Renewal or Supplemental Awards: None

Type of Assistance Instrument: Grant Agreement

Approximate Number of Awards: The number of awards will depend on the number of eligible participants and the total amount of requested funds. Based on the Agency's prior experience with this program, it expects to make approximately 175 awards per quarter. In the unlikely event that every successful applicant is awarded the maximum amount available of \$5 million, approximately 20 awards will be made.

C. Eligibility Information

1. Eligible Applicants.

Owners of transportation fueling facilities and owners of fuel distribution facilities may apply for this program. Eligible facilities must be located in the United States and its territories and include fueling stations, convenience stores, hypermarket retailer fueling stations, fleet facilities (including automotive, freight, rail and marine), and similar entities with equivalent capital investments, as well as fuel/biodiesel terminal operations, midstream operations, and heating oil distribution facilities or equivalent entities.

Applicants must include all proposed activity under a single application. Applicants must own or have the legal right to control all site locations included in their application. Applicants may apply for and will only receive funding associated with implementation activities for one or more transportation fueling facilities or one or more fuel distribution facilities. Applications including combinations of transportation fueling facility implementation activities and fuel distribution facility implementation activities are ineligible. Application requirements and other important information is available on the HBIIP Webpage <https://www.rd.usda.gov/hbiip>.

2. Cost Sharing or Matching.

Matching Funds. The applicant is responsible for securing the remainder of the total eligible project costs not covered by grant funds. Matching funds can be comprised of eligible in-kind contributions from third parties and/or cash, however, in-kind contributions provided by the applicant cannot be used to meet the matching fund requirement. Written commitments for matching funds (e.g., Letters of Commitment on lender letterhead, electronic communication from a lender, or bank statements) must be submitted with the Certification of Matching Funds when the application is submitted. The Certification of Matching Funds must be signed by the applicant. Funds provided by the applicant in excess of matching funds are not matching funds. Unless authorized by statute, other Federal grant funds cannot be used to meet a matching funds requirement.

Funds made available under HBIIP may only be used for eligible equipment, infrastructure, and related expenses to support the sales and use of higher biofuel blends, fuel containing ethanol greater than 10 percent by volume and/or fuel containing biodiesel blends greater than 5 percent by volume.

Applicants may enter into arrangements with private entities such as, but not limited to, commercial vendors of fuels, agricultural commodity promotional organizations, Tribes, and other entities interested in the renewable fuels in order to secure such non-Federal funds or in-kind contributions.

There are several existing or prior and ongoing State-led programs and private sector efforts to help provide funding for higher blend dispensers, related equipment, and infrastructure. These programs may be included as part of any matching contribution requirement. However, the application must show how the HBIIP grant will add to the infrastructure that fosters higher blend biofuel sales and use. HBIIP funds are intended to provide additional incentives.

Up to 10 percent of an applicant's Matching Funds requirement (up to 5 percent of total project costs) may be used to pay consumer education and/or marketing and/or signage related expenses. HBIIP grant funds awarded to transportation fueling stations are intended to assist with converting those facilities to ensure full compatibility with higher blend fuel through upgrade or installation of fuel dispensers, related equipment, and infrastructure. Although the contributions of consumer education and/or marketing and/or signage toward a fuel station's fuel sales are well recognized, a very tall sign to display fuel prices does not in any way assist a facility with higher blends compatibility. Therefore, the Agency determined that while HBIIP grant funds may not be used for consumer education and/or marketing and/or signage, matching funds may be used to pay for consumer education and/or marketing and/or signage related expenses.

3. Other.

(a) Eligible Project.

The goal of HBIIP is to significantly increase the market availability of higher blends biofuels. To be eligible for this program, a project's sole purpose must be for the installation, and/or retrofitting, and/or otherwise upgrading of fuel dispensers/pumps, related/attached equipment, fuel storage tank system components, and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

(A) An eligible project must conform to all applicable Federal, State, Tribal and local regulatory requirements pertaining to:

1. Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks, 40 CFR parts 280 and 281;
2. Spill Prevention, Control and Countermeasure Plan (SPCC) Program, 40 CFR part 112;

3. Regulation of Fuels and Fuel Additives, 40 CFR part 80;
4. Occupational Safety and Health Standards Subpart H—Hazardous Materials Section 106—Flammable Liquids, 29 CFR 1910.106;
5. Safety and Health Regulations for Construction Subpart F—Fire Protection and Prevention Section 152—Flammable Liquids, 29 CFR 1926.152; and
6. Automotive Fuel Ratings, Certification, and Posting, 16 CFR part 306.

HBIIP funds may be used for equipment required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent.

Since 1988, the Environmental Protection Agency's (EPA) UST regulations require fuel to be stored in systems that are compatible with the type of fuel being stored. The environmentally safe growth in availability of fuels containing higher blends of ethanol or biodiesel depends on these fuels being stored and dispensed from UST systems that are compatible with E15. Storing and dispensing E15 at gas stations with equipment that is not compatible with higher blends of ethanol fuel can result in leaks and releases that contaminate land and groundwater. Section 280.32 of 40 CFR part 280 states that UST owners and operators must use an UST system made of or lined with materials that are compatible with the substance stored in the UST system.

Additionally, owners or operators who store regulated substances that contain more than 20 percent biodiesel or more than 10 percent ethanol, such as 15 percent ethanol or E15, must notify their implementing agency 30 days before storing the fuel. Owners and operators must also keep records demonstrating that their UST system is compatible with the substance stored.

Demonstrating compatibility of an UST system means identifying what equipment is installed as part of your UST system. You must show that a component is approved by either the manufacturer of the component or by a nationally recognized

independent testing laboratory, such as Underwriters Laboratory, for use with the fuel to be stored. See details about these requirements in regulations issued by EPA at 40 CFR 280.32.

(B) Please note that compatibility extends beyond the fuel tank. Owners and operators must demonstrate compatibility for the components below to store substances containing more than 10 percent ethanol or more than 20 percent biodiesel. These components include:

1. Tanks;
2. Piping carrying product from the tank;
3. Piping containment sumps entered by the piping;
4. Pumping equipment, including the submersible pump or suction pump, depending on the type of system;
5. Release detection equipment, including automatic tank gauging probes, sump sensors, and line leak detectors;
6. Spill equipment, such as spill buckets, for the tank; and
7. Overfill equipment, including ball float valves or flapper valves.

The federal UST regulation from EPA does not require owners and operators to demonstrate the compatibility of dispensers or associated aboveground equipment. However, compatibility requirements for these components may exist in other local regulations, such as, but not limited to, the fire code. Owners and operators should check for these requirements with their implementing agency. HBIIP grant funds may be used to upgrade or replace fuel dispensers/pumps, UST system components, or other required infrastructure, necessary to make their facility fully compatible with higher blends of ethanol or biodiesel. Fuel dispensers/pumps, UST system components, and other required infrastructure and components must meet the minimum requirements of EPA's UST regulations and other Federal, State, and local regulations or codes; and, must be

approved by either the manufacturer of the component or by a nationally recognized independent testing laboratory, such as Underwriters Laboratory, for use at a minimum for blends containing 25 percent ethanol or 100 percent biodiesel.

(b) Eligible Funds.

Eligible Project Costs are only those costs incurred after the date that a complete application is submitted and that are directly related to the use and purposes of the HBIIP. The applicant is cautioned against taking any actions or incurring any obligations prior to the Agency completing the environmental review that would either limit the range of alternatives to be considered or that would have an adverse effect on the environment, such as the initiation of construction. If the applicant takes any such actions or incurs any such obligations, it could result in project ineligibility. Eligible project costs may include:

(i) Retrofitting of existing, or purchase and installation of new, fuel dispensers (gas and/or diesel pumps) and attached equipment, fuel storage tank system components, and other infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends greater than 10 percent or fuel containing biodiesel blends greater than 5 percent;

(ii) Construction, replacement, and improvements;

(iii) Fees for construction permits and licenses;

(iv) Professional service fees for qualified consultants, contractors, installers, and other third-party services; and

(v) HBIIP grant funds may not be used to pay for expenses related to higher blend consumer education and/or higher blend marketing and/or higher blend signage.

However, up to 10 percent of an applicant's matching funds requirement (up to 5 percent of total project costs) may be used to pay for higher blend consumer education and/or higher blend marketing and/or higher blend signage related expenses. The Awardee is encouraged to display USDA standard infrastructure investment signage, available for

download from the Agency, during construction of the Project. Expenditures for such signage shall be a permitted eligible cost of the Project.

(c) Ineligible Project Costs.

Ineligible project costs for HBIIP projects include, but are not limited to:

1. Renewable diesel projects.
2. Sustainable aviation fuel (SAF) projects.
3. Used equipment and vehicles.

4. Construction or equipment costs that would be incurred regardless of the installation of higher blend fuel infrastructure shall not be included as eligible project costs. For example, a fuel storage tank for a fueling facility constructed during the grant period that would have been otherwise installed should not be included in an application. USDA believes all new tanks and piping available in the market only come in models compatible with higher blends of ethanol and biodiesel, so grant funds would not expand the market for higher blends by funding such tank or equipment installation. However, other required equipment such as fuel dispensers/pumps and other UST system components that are still available in traditional and higher blend compatible models, the latter at a higher cost, may be considered in this funding program.

5. Business operations that derive more than 10 percent of annual gross revenue (including any lease income from space or machines) from gambling activity, excluding State or Tribal authorized lottery proceeds, as approved by the Agency, conducted for the purpose of raising funds for the approved project.

6. Business operations deriving income from activities of a sexual nature or illegal activities.

7. Purchase of real property or land.

8. Lease payments.

9. Any project that creates a Conflict of Interest or an appearance of a Conflict of Interest which, for purposes of this program includes, but is not limited to:

(a) Distribution or payment of a grant, guaranteed loan funds, and matching funds or award of project construction contracts to an individual owner, partner, or stockholder, or to a beneficiary or immediate family of the applicant when the recipient will retain any portion of ownership in the applicant's or borrower's project. Grant and matching funds may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent conflict of interest.

(b) Assistance to employees, relatives, and associates. The Agency will process any requests for assistance under this subpart in accordance with 7 CFR part 1900, subpart D.

(c) Member/delegate clause. No member of or delegate to Congress shall receive any share or part of a grant awarded pursuant to HBIIP or any benefit that may arise therefrom; but this provision shall not be construed to bar, as a contractor under the grant, a publicly held corporation whose ownership might include a member of Congress.

10. Funding of political or lobbying activities.

11. To pay off any Federal direct or guaranteed loan or any other form of Federal debt. Any incurred expense, equipment purchase, or paid service prior to the date a complete application is submitted.

12. Any expense associated with applying for this program, including environmental reviews and requirements related to it.

13. Any expense associated with reporting results and/or outcomes during the disbursement, performance, and servicing portions of this program.

14. Transportation infrastructure not on location where eligible biofuels are blended, stored, supplied, or distributed.

The U.S. Department of Agriculture Departmental Regulations and federal laws that contain other compliance requirements are referenced in paragraphs F, H, and I of this notice. Applicants who are found to be/have been in violation of applicable Federal Law/statutes will be deemed ineligible.

D. Application and Submission Information

1. Address to Request Application Package.

Applicants seeking to participate in this program must submit applications in accordance with this notice.

Applications must be submitted electronically using the HBIIP secure-server portal. Instructions and resources for completing the online application are available on the HBIIP webpage under the “To Apply” tab, <https://www.rd.usda.gov/programs-services/energy-programs/higher-blends-infrastructure-incentive-program#to-apply>.

2. Content and Form of Application Submission.

Applicants must submit complete applications by the date identified in the **DATES** section of this notice. Applications must contain all parts necessary for the RBCS to determine applicant and project eligibility, conduct the technical evaluation, calculate a priority score, rank, and compete the application, as applicable, to be considered. All applications determined to be insufficient for these purposes shall be deemed incomplete and will neither be competed nor receive funding.

1. For Higher Blend Implementation Activities related to transportation fueling stations/facilities, the HBIIP Online Application is comprised of the following elements:

- (a) SF 424, Application for Federal Assistance;
- (b) HBIIP Project Worksheet with Priority Scoring Criteria: Transportation Fueling Stations/Facilities;
- (c) SF 424C, Budget Information - Construction Programs;
- (d) HBIIP Project Technical Report;

(e) Signed Certification of Matching Funds;

(f) Confirmation of Environmental Information to HBIIP inbox

(HBIIP@usda.gov) or Environmental Information; and

(g) SF 424D, Assurances - Construction Programs signed by applicant entity (if signing by Power of Attorney, a legal, fully executed copy of the Power of Attorney must be provided when submitting the application for it to be considered complete).

2. For Higher Blend Implementation Activities related to fuel distribution facilities, an HBIIP Online Application is comprised of the following elements:

(a) SF 424, Application for Federal Assistance;

(b) HBIIP Project Worksheet with Priority Scoring Criteria: Fuel Distribution Facilities;

(c) SF 424C, Budget Information - Construction Programs;

(d) HBIIP Project Technical Report;

(e) Signed Certification of Matching Funds;

(f) Confirmation of Environmental Information to HBIIP inbox

(HBIIP@usda.gov) or Environmental Information; and

(g) SF 424D Assurances - Construction Programs signed by the applicant entity (if signing by Power of Attorney, a legal, fully executed copy of the Power of Attorney must be provided when submitting the application for it to be considered complete).

3. Instructions and resources for completing the online application are available on the HBIIP Webpage under the “To Apply” tab, <https://www.rd.usda.gov/programs-services/energy-programs/higher-blends-infrastructure-incentive-program#to-apply>.

Applicants and their authorized/rightful users will be required to obtain a USDA eAuthentication and obtain access to the secure portal. The application process requires

the ability to both view and generate PDFs (Portable Document Format). The use of a Web browser such as Chrome or its equivalent is highly encouraged.

3. System for Award Management and Unique Entity Identifier.

(a) At the time of application, each applicant must have an active registration in the System for Award Management (SAM) before submitting its application in accordance with 2 CFR part 25 (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-25>). To register in SAM, entities will be required to obtain a Unique Entity Identifier (UEI). Instructions for obtaining the UEI are available at <https://sam.gov/content/entity-registration>.

(b) Each applicant must maintain an active SAM registration, with current, accurate and complete information, at all times during which it has an active Federal award or an application under consideration by a Federal awarding agency.

(c) Each applicant must ensure it completes the Financial Assistance General Certifications and Representations in SAM.

(d) Each applicant must provide a valid UEI in its application, unless determined exempt under 2 CFR 25.110 (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-25/subpart-A/section-25.110>).

(e) The Agency will not make an award until the applicant has complied with all SAM requirements including providing the UEI. If an applicant has not fully complied with the requirements by the time the Agency is ready to make an award, the Agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. Submission Dates and Times

The deadline date for applications to be received to be considered for funding is specified in the DATES section at the beginning of this notice.

After applying electronically through the HBIIP Web site, the applicant will receive an automated acknowledgement, specifying submission date and time, from the HBIIP online application system. In order to be considered for funds under this notice, applications must be deemed complete and must be received by the secure portal located on the HBIIP webpage at

https://www.rd.usda.gov/HBIIP#:~:text=What%20is%20the%20Higher%20Blends,derived%20from%20U.S.%20agricultural%20products_ by the deadline. Application instructions can be found at <https://www.rd.usda.gov/programs-services/energy-programs/higher-blends-infrastructure-incentive-program#to-apply>

5. Intergovernmental Review

Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, applies to this program. This E.O. requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments. Many states have established a Single Point of Contact (SPOC) to facilitate this consultation. Instructions for completing this required element and a list of States that maintain a SPOC are available in the HBIIP online application. Applications from Federally recognized Indian tribes are not subject to this requirement.

6. Funding Restrictions

The following funding restrictions apply to applications submitted under this notice.

1. Only one HBIIP application may be submitted by an HBIIP applicant per quarterly application window. An application may request HBIIP assistance in a single application for more than one location that is owned and/or legally controlled by the applicant entity. An HBIIP applicant/application may receive one and only one award in each quarterly application window not to exceed a total of \$15 million of funding made available under Section 22003 of the Inflation Reduction Act of 2022.

2. If it is determined that an applicant is affiliated with another entity that has also applied, then the maximum grant award and total Inflation Reduction Act funding assistance applies to all affiliated entities as if they applied as one applicant. An affiliate is an entity controlling or having the power to control another entity, or a third party or parties that control or have the power to control both entities.

3. Previous acceptance of an HBIIP Letter of Conditions cannot be withdrawn and resubmitted under this notice, unless there is a change in scope of work approved by RBCS (HBIIP) staff.

4. Fuel Storage Tanks and Systems.

(a) *New construction.* Fueling stations/locations/facilities constructed during the grant period are restricted from receiving HBIIP grant funds for fuel storage tanks.

RBCS has determined that tanks would be required of any new fueling stations/locations/facility regardless of any commitment to market higher blends. However, other required equipment such as fuel dispensers/pumps and other storage tank system components that are still available in traditional and higher blend compatible models, the latter at a higher cost, may be funded under HBIIP.

(b) *Existing fueling stations.* Existing fueling stations that require upgraded, and/or retrofitted and/or additional fuel storage tanks may request assistance of up to 50 percent of total eligible project costs or up to \$2,500,000, whichever is the lesser. Eligible equipment includes but is not limited to the tank, piping, piping containment sumps, pumping equipment, including the submersible pump or suction pump, release detection equipment, spill equipment (spill buckets), overfill equipment, fuel dispensers/pumps, or other equipment related to the storage system.

5. HBIIP grant funds may not be used to pay for expenses related to higher blend consumer education and/or higher blend marketing and/or higher blend signage.

However, up to 10 percent of an applicant's matching funds requirement (up to 5 percent

of total project costs) may be used to pay for higher blend consumer education and/or higher blend marketing and/or higher blend signage related expenses. The Awardee is encouraged to display USDA standard infrastructure investment signage, available for download from the Agency, during construction of the Project. Expenditures for such signage shall be a permitted eligible cost of the Project.

6. No HBIIP grant funds may be used to pay for any incurred expense prior to the submission of a complete application.

7. Other Submission Requirements.

(a) *Multiple facilities* - While only one HBIIP application may be submitted per applicant under this notice, an application may request assistance for multiple facilities/locations that are owned and/or legally controlled by the applicant entity.

Section “E.3. Funding Restrictions,” advises on instances where more than one application is submitted by one or more affiliates of an entity.

(b) *Original signatures*. The RBCS reserves the right to request/require that the applicant provide original signatures on forms submitted electronically.

E. Application Review Information

1. *Criteria*. A priority score will be added to complete applications deemed eligible to compete. Given the purpose of the HBIIP, higher priority will be given to projects deemed to significantly increase the sales and use of higher blends of ethanol and biodiesel on a gallons per dollar of requested funds basis. Priority scoring and ranking of applications will be a function of the following criteria:

For Higher Blend Implementation Activities related to transportation fueling facilities.

(a) Annual sales volume for the past 3 calendar years or projected sales for fueling stations constructed during the grant period, for all fuels including E10 and/or B5;

(b) The incremental increase in higher blend fuel volume attributed to:

(i) The proposed change in percentage of refueling positions offering E15 and/or B20 or higher blends (the greater percentage of higher blend fuel refueling positions, the greater the higher blend fuel volume attribution);

(ii) The proposed new ratio number of fueling positions offering E15 and/or B20 relative to the number of fueling positions offering E10 and/or B5 (the greater the ratio of higher blend fuel refueling positions relative to E10 and/or B5, the greater the higher blend fuel volume attribution);

(iii) The proposed ratio number of fueling positions offering E85 relative to the number of fueling positions offering E10 (the greater the ratio of E85 refueling positions relative to E10, the greater the higher blend fuel volume attribution);

(iv) The proposed change in the number of fueling stations with at least one E15 fueling position (the greater the number of fueling stations, the greater the higher blend fuel volume attribution);

(v) Whether the applicant is an owner of 10 fueling stations or fewer (if yes, a Targeted Assistance Goal, higher blend fuel volume attribution);

(vi) The proposed number of fueling stations located along an interstate highway corridor;

(vii) The proposed number of fueling stations located as the sole station (within a 1-mile radius) in an area;

(viii) The proposed number of fueling stations located in areas under consideration for Geographic Diversity:

1. The New England States of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island; and/or
2. The Western States of Alaska, Arkansas, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana,

Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon,

South Dakota, Texas, Utah, Washington, Wyoming; and/or

3. The U.S. Territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands;

(c) A “Matching Funds” investment/commitment to higher blends signage and/or marketing is proposed (non-zero investment yields greater higher blend fuel volume attribution);

(d) The total amount of requested funds.

The HBIIP online application, “Project Worksheet with Priority Scoring Criteria for Transportation Fueling Stations/Facilities,” is interactive and designed to indicate an applicant’s priority score based on -- HBIIP activities (e.g., fuel dispensers, related equipment, and infrastructure installations), Administrator’s geographic diversity priorities, targeted assistance goals (if applicable), and the amount of requested funds. Applicants may directly influence their priority score by the activities they select in the worksheet and by the amount of grant funds they request.

Transportation fueling stations/facilities applications should take special care to provide evidentiary documentation in support of their proposed activities in the HBIIP Project Technical Report. In the event of suspect, overstated, or otherwise unsubstantiated claims, the Agency reserves the right to adjust an application’s priority score accordingly.

For Higher Blend Implementation Activities related to fuel distribution facilities.

(a) Annual throughput volume for past 3 years, for all fuels;

(b) The incremental increase in throughput of higher blend fuel, as substantiated by:

(i) Validated demand – demand projections/forecasts;

- (ii) Market drivers – the underlying economic and technological forces that compel your customers to purchase your products and services;
 - (iii) Documented incentives – known national, regional, state, and local policy and market incentives available to the business;
 - (iv) Project sustainability – environmental, social, and economic reasons the business will thrive beyond HBIIP;
 - (v) Investments on consumer education and marketing; and
 - (vi) Partnerships – significant long-term supplier and/or customer arrangements and/or agreements;
- (c) The total amount of requested funds.

Fuel distribution facility applications must provide evidentiary documentation in support of their throughput projections in the HBIIP Project Technical Report. In the event of suspect, overstated, or otherwise unsubstantiated claims, the Agency reserves the right to adjust an application's priority score accordingly. Letters of support do not meet this requirement and are not needed.

2. Review and Selection Process

All complete applications will be competed/ranked in accordance with Section E.1., as specified above. Applicants may work to complete the online application until the deadline specified in the **DATES** section of this notice.

Due to the competitive nature of this program, applications receiving the same priority score will be competed/ranked based on submittal date. The submittal date is the date the RBCS receives a complete application. A complete application contains all information requested by RBCS and is sufficient to allow the determination of eligibility, score, rank, and compete the application for funding, subject to funds availability.

Incomplete applications will not be competed and will not receive funding.

3. *Discretionary Points.* The RBCS retains the discretion to award a 10 percent scoring priority to applications that support HBIIP policy goals and that specifically promote economic development to improve life in rural areas that are most in need:

(a) *Consideration for First Time Applicants.* Whether an applicant had funding obligated through this program previously. A consideration for first time applicants may be given to those without a prior HBIIP acceptance of a Letter of Conditions. This includes:

(i) First time applicants.

(ii) Applicants who have not previously been selected for HBIIP funding.

(iii) Applicants who have not previously had HBIIP funding obligated.

(b) *Administration Priorities.* As per the Rural Development Key Priorities outlined in the Overview section of this notice along with the additional program goals provided below.

(c) *Targeted Assistance Goal.* A targeted assistance goal is set for applicants (owners) owning the fewest number of transportation fueling stations/locations (and owning at least one). Approximately 50 percent of funds will be made available for activities/investments related to upgrading or installing equipment to make a transportation fueling facility fully compatible to dispense/sell higher blends of fuel ethanol and/or biodiesel. The Agency expects Targeted Assistance to be exhausted by applicants owning 10 fueling stations/locations or fewer.

Approximately 80 percent of fuel sales in the U.S. is sold by convenience store owners. Moreover, about 54 percent of the stores selling fuel in the U.S. are “single store owners.” A significant majority of higher blends fuel is currently sold/dispensed by large retail convenience store chains located in the Midwest and along the East Coast of the U.S., due in part because these are the types of businesses and locations with the highest densities of higher blends fueling infrastructure. The Agency established this Targeted

Assistance Goal to distribute a portion of program funds among a greater number of business owners and, across a broader geographic region, to increase participation. There is an underlying expectation that owners/participants located in underserved areas today will be positioned as higher blend fuel market leaders tomorrow.

(d) *Consideration for Geographic Diversity.* A consideration for geographical diversity and markets underserved by higher blends is also afforded to applicants/participants based on the location of the proposed transportation fueling stations/facilities. This consideration is intended to work in concert with the Targeted Assistance Goal to distribute program funds more broadly across a greater number of states that may not otherwise participate.

4. *Other Requirements*

To be considered for funds, complete applications must be received by the deadline specified in the **DATES** section of this notice.

1. *Insufficient funds.* If available funds are insufficient to fund the total amount of an application:

(a) The applicant will be notified and given the option to lower the grant request and accept the remaining funds. If the applicant agrees to lower the grant request, the applicant must certify that the purposes of the project will be met and provide the remaining total funds needed to complete the project.

(b) If two or more applications have the same priority score and the same submittal date, both applicants will be notified and given the option to lower the grant requests and accept the remaining funds. If an applicant agrees to lower its grant request, the applicant must certify that the purposes of the project will be met and provide the remaining total funds needed to complete the project.

2. *Award considerations.* All award considerations will be on a discretionary basis. In determining the amount of an award, the RBCS will consider the amount requested, subject to the amount being the least of:

- (a) the maximum Federal grant share percentage of total eligible project costs, or a lesser amount when deemed appropriate;
- (b) the maximum award amount of \$5 million; or
- (c) available funds.

3. *Notification of funding determination.* Each Applicant will be informed in writing by the RBCS as to the funding determination of the application.

F. Federal Award Administration Information

1. Federal Award Notices

HBIIIP grants will be administered in accordance with Departmental Regulations, and as otherwise specified in this notice. Applicants selected for funding will receive a signed notice of Federal award containing instructions on requirements necessary to proceed with execution and performance of the award. Applicants not selected for funding will be notified in writing and informed of any review and appeal rights. Awards to successfully appealed applications will be limited to available funding.

2. Administrative and National Policy Requirements.

Additional requirements that apply to grantees selected for this program can be found in the Grants and Agreements regulations of the Department of Agriculture codified in 2 CFR parts 180, 200, 400, 415, 417, 418, 421; 2 CFR parts 25 and 170; and 48 CFR 31.2.

3. Reporting.

In addition, all recipients of Federal financial assistance are required to report information about first tier subawards and executive compensation (see 2 CFR part 170). Each applicant will be required to have the necessary processes and systems in place to

comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109– 282) reporting requirements (see 2 CFR 170.200(b), unless the applicant is exempt under 2 CFR 170.110(b)). More information on these requirements can be found at <https://www.rd.usda.gov/programs-services/energy-programs/higher-blends-infrastructure-incentive-program#to-apply>.

The following additional items will need to be executed by grantees selected for this program in order to receive HBIIP funds:

1. Letter of Conditions, awarding an HBIIP grant to the applicant and specifying certain conditions and requirements of the grant award
2. Form RD 1942–46, “Letter of Intent to Meet Conditions;”
3. Grant Agreement – RD 4280-2 Rural Business-Cooperative Service Financial Assistance Agreement;
4. Form RD 1940–1, “Request for Obligation of Funds;” and
5. Form SF 271, “Outlay Report and Request for Reimbursement for Construction Programs.”

After grant approval and through grant completion, grantees will be required to periodically provide the following, as indicated:

(a) A SF–425, “Federal Financial Report,” and a project performance report will be required on a semiannual basis (due 30 calendar days after end of the semiannual period). For the purposes of this grant, semiannual periods end on March 31st and September 30th. The project performance reports shall include the elements prescribed in the Grant Agreement which, for fueling stations, will include point of sale reporting for up to 5 years post project completion and, for fuel distribution facilities, will include reporting of throughput volumes of all fuels including higher blend fuels.

(b) A final project and financial status report, as required per 2 CFR 200.344, “Closeout”, within 120 days after the expiration or termination of the grant.

(c) Provide project outcome/performance reports and final deliverables.

Reported data will be used for program and policy evaluation. The proprietary nature and confidentiality of information collected from program participants is specified in 7 U.S.C. 2276.

G. Federal Awarding Agency Contacts

For further information contact: Jeff Carpenter at HBIIP@usda.gov, HBIIP Manager, RBCS, Rural Development, United States Department of Agriculture, 1400 Independence Avenue, SW., Mail Stop 3201, Room 5801-South, Washington, D.C. 20250; or call (402) 437-5554. Persons with disabilities that require alternative means for communication should contact the U.S. Department of Agriculture (USDA) Target Center at (202) 720-2600 (voice) or the 711 Relay Service.

H. Buy America, Build America Act

Funding to Non-Federal Entities. Awardees that are Non-Federal Entities, defined pursuant to 2 CFR 200.1 as any State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization, shall be governed by the requirements of Section 70914 of the Build America, Buy America Act (BABAA) within the IJJA. USDA's guidance is available online at <https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver>.

I. Other Information

1. *Congressional Review Act*. Pursuant to subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act or CRA); 5 U.S.C. 801 et seq., this action meets the threshold for a major rule, as defined by 5 U.S.C. 804(2), because it will result in an annual effect on the economy of \$100,000,000 or more. Accordingly, the Agency will not take action on applications until 60 days have lapsed from notification to Congress.

2. *Paperwork Reduction Act.* In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection requirements associated with HBIIP programs, as covered in this notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570-0072.

3. *National Environmental Policy Act.* All recipients under this notice are subject to the requirements of 7 CFR part 1970.

4. *Federal Funding Accountability and Transparency Act.* All applicants, in accordance with 2 CFR part 25, must be registered in SAM and have a UEI number as stated in Section D.3. of this notice. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive total compensation in accordance with 2 CFR part 170.

5. *Nondiscrimination Statement.* In accordance with Federal civil rights laws and USDA civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the 711 Relay Service.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, *USDA Program Discrimination Complaint Form*, which can be obtained online at <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

(1) Mail: U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW

Washington, D.C. 20250-9410; or

(2) Fax: (833) 256-1665 or (202) 690-7442; or

(3) Email: program.intake@usda.gov

Karama Neal,

Administrator,

Rural Business-Cooperative Service,

USDA Rural Development.

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